



Memorandum

TO: PUBLIC SAFETY, FINANCE AND
STRATEGIC SUPPORT COMMITTEE

FROM: Vijay Sammeta
Acting CIO

SUBJECT: REPORT ON PRIORITY PROJECTS **DATE:** April 7, 2011

Approved

Date

4/8/11

RECOMMENDATION

It is recommended that the Public Safety, Finance and Strategic Support (PSFSS) Committee accept this Report on Priority Projects.

BACKGROUND

Following the retirement of the Deputy Director of Enterprise Applications in August 2010, the Information Technology Department (ITD) reorganized its two divisions (Infrastructure and Business Applications) to report to the single remaining Deputy Director. The vacant Deputy Director position has been proposed for elimination in 2011-2012. All other Program Manager and Division Manager positions have already been eliminated in prior budget actions.

Following the retirement of the Chief Information Officer (CIO) in March 2011, Vijay Sammeta was appointed Acting CIO. This position is currently the only remaining filled Senior or Executive Staff level position in ITD.

On August 5, 2010 and September 2, 2010, the previous CIO presented reports to the Public Safety, Finance and Strategic Support Committee on Priority Projects for Technical Infrastructure and Enterprise and Business Applications, respectively. This report provides a combined update on the highest priority projects, and a discussion of current and future issues.

ANALYSIS

Current Projects

Consolidation Efforts

As approved in the City's 2010-11 Adopted Operating Budget, ITD initiated a multi-year consolidation effort of resources, staff, infrastructure, applications and tools. Anticipated outcomes of these efforts have already been discussed in previous memorandum to Council; however, it should be noted that the most significant goal is to achieve and maintain a

sustainable support and service delivery model for an organization with limited investment resources for technology. Consolidation efforts have already proven successful with the current focus on database consolidation. In addition, databases located within ITD are currently migrating from a costly UNIX environment to Windows, and infrastructure required to support these services on an ongoing basis are also being merged. Maintenance and staffing reductions have already been realized in the new support model. Completion of IT departmental database consolidation is anticipated by the end of 2012 and should provide a platform for the consolidation of departmental databases in the future. Decisions regarding future efforts in this regard will be determined following adoption of the 2011-12 Operating Budget.

Financial Management System (FMS)

The FMS used in the City is based on the Cayenta Financial Management Applications Suite. Installed in 1989, FMS has been in use for over 22 years, and ITD staff is tasked with the responsibility of maintaining viability of this critical system.

The system is currently being upgraded from Cayenta version 7.3 to version 7.5. As part of this upgrade, the database will be migrated from the UNIX to Windows platform. Reports currently written in obsolete COBOL are being migrated to Crystal Reports. The system upgrade and testing is currently underway, with "go-live" scheduled for April 18, 2011. Finance has provided training sessions for the City's fiscal staff.

Integrated Billing System

The Integrated Billing System (IBS) provides staff with management tools to oversee annual revenues approaching \$250 million. In addition, it is estimated that the City responds to over 325,000 citizen and customer calls per year with the aid of this application. The system provides invoicing and revenue management capabilities for the Recycle Plus, Municipal Water, and Storm Water and Sanitary programs, as well as customer relationship management for these programs and the City's Customer Contact Center. In addition, the IBS platform is host to the City's Business Tax program with annual revenue of approximately \$16 million.

At present the IBS current system has reached its end-of-life. The City is currently gathering functional requirements for the Business Tax and Storm Sanitary replacement systems. The City is further performing a service delivery evaluation of the current utility billing model to identify options such as requiring the haulers to perform billing. As a result of the end-of-life status of IBS, resources dedicated to system support are currently focused on maintenance and operations only as the City shifts towards evaluating viable cost effective alternatives.

HR/Payroll

The HR/Payroll system provides staff with the management tools to oversee a dynamic workforce and an annual employee payroll of approximately \$600 million. This includes payroll and benefits for all City staff.

In addition to providing regular system and end-user support, ITD is currently involved in several projects related to system maintenance and implementation of changes associated with new bargaining unit agreements. The system is also under testing for major application bundle “fixes” and regulatory tax updates for planned migration to production by the end of April 2011. In addition, staff is preparing for a special Benefits open enrollment from May 23rd through June 3, with an effective dated of July 1, 2011. This open enrollment process is in addition to system changes that will be required as a result of new bargaining unit agreements effective June 26th. Staff also continues to work on the Public Works/General Services Department merger. The plan is to be prepared to implement the merger in HR/Payroll production by the first week of May 2011, to avoid disrupting the special open enrollment process.

Further, the City’s current support model of PeopleSoft version 8.9 is expected to end in 2012. Finance has proposed an upgrade to version 9.1 for FY 2011-12. ITD is also investigating potential future alternatives to the current system.

Budget System

The City’s Budget System is a collection of modules that automate processes used by the City Manager’s Budget Office and City departments to develop the annual budget and publish the voluminous budget documents. These systems were originally developed and continue to be modified by City staff and include the Automated Budget System (ABS), Capital Automated Budget System (CABS), Proposal Database System (PDS), Midyear/Annual Report System, Ordinance System, and Fees and Charges System.

Staff’s current Budget System priority project is retirement floor calculations for the Automated Budget System (ABS) which requires intensive programming as well as data mining and cleaning for implementation validation. In addition, staff is actively working on queries and reports related to ongoing labor negotiations.

Internet Connectivity

The IT Department has partnered with the Department of Transportation (DOT) to bring City-owned fiber into 55 South Market Street, an internet peer point, after completing a competitive bid for internet services. The final entrance into the building is being completed by DOT with an anticipated completion and “go-live” of internet services by August 2011. The new internet provider will increase the speed of the internet connection by 14 times the current speed at approximately one-third the current cost.

Server virtualization

ITD completed a consolidation/virtualization study of over 100 servers within the Network Operations Center. The results indicated that through virtualization, eight to ten physical servers would meet user demands required of those systems. ITD has completed the infrastructure required to virtualize the servers and will consolidate 100 physical servers to an 8 node cluster with an anticipated completion time of December 2011. This virtualization/consolidation will result in a future cost avoidance of aging hardware replacement at a cost of approximately \$700,000. In addition, ITD has adopted a strategy that includes a virtualization analysis for all departmental server requests that come to ITD for purchase approval.

Office Productivity Pilots

On December 14, 2010, Council approved a project with Google to perform a pilot of office productivity applications for up to 200 City staff. The pilot includes applications such as word processing, spreadsheets, email and presentation software. Technical integration kick-off for the pilot will take place on April 7, 2011.

Microsoft has also offered a pilot of its new online office productivity suite of applications. The pilot will likely run at the conclusion of the Google pilot due to the demands placed on internal staff. The results of both pilots will offer the City the opportunity to expose end-users to modern features of new office productivity applications, prioritize business requirements and select a product based on those features that best suit the needs of City employees through a competitive process.

Core Network Upgrade

IT staff is currently upgrading the core data network in order to support increased system demands. The cost of the upgrade will be offset by future reductions in existing maintenance costs. The design work for the upgrade is complete, including third party design validation. A test lab has been configured and is being utilized. The final production network changes will occur in July to protect the annual budget process from possible interruption.

Voice Platform Upgrade

Over the past five years, the City expanded its Voice over Internet Protocol (VoIP) phone system, initially installed in the new City Hall, to over 70% of the City's phone service. While the current system is still supported by the manufacturer, it is cumbersome to manage and the IT Department will be testing the marketplace to identify opportunities to lower costs, simplify management and improve features and functionality. Lessons learned from the current system and functional requirements are currently being gathered to develop a set of specifications. ITD will be working with Purchasing to release a procurement solicitation anticipated for release in the first half of FY 2011-12, should staffing resources in Finance and ITD allow.

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CONCLUSION

As previously reported to the Committee, much of the enterprise technology is at end-of-life expectancy. Even the converged network, one of the City's most current investments implemented with the opening of the New City Hall, is five years into its seven-year life expectancy. Technology at remote facilities such as Fire Stations and Community Centers are long past recommended useful life. As the infrastructure continues to age, the number of outages, cost for support, and security risks rise as ITD attempts to maintain existing levels of service.

In response to the City's technical infrastructure backlog and as a result of a consultant report by Management Partners, the City Manager directed ITD to look at a Citywide consolidation effort in order to deliver service more efficiently and cost effectively. Council approved a phased plan to analyze and recommend areas for consolidation, the first of which (Citywide database consolidation) is proving successful and has already begun to yield efficiencies.

As the City's level of funding for technology continues to remain extremely limited, departments turn to technology as a means to bridge gaps left by their own reductions and increasing service delivery requirements placing additional demand on critical systems. As these systems age, many require substantial investments simply to maintain existing functionality. While consolidation of resources, tools and investments will slow the pace of expanding gaps, consolidation itself is not a substitute for investment into a more efficient, secure and flexible organization.

ITD continues to seek and implement the most effective ways to use and manage technology in the current environment; however, it does require resources to simply maintain existing service levels and create efficiencies. ITD continues to reduce service delivery as a direct trade off to the budget situation, but at the same time, it strives to provide tangible savings, improve services, and mitigate risks to the greatest extent possible through consolidation where feasible. While necessary, we acknowledge that this approach is not sustainable even in the short-term and the City will need to identify funding sources and investigate alternate service delivery options in order to keep the organization efficient and control costs.

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For questions please contact VIJAY SAMMETA, ACTING CIO, at 535-3566.